




RESOLUTION NO. 025 195

BOARD LETTER APPROVAL


David Hanson (Mar 24, 2025 09:23 PDT)

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Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: March 13, 2025

SUBJECT: Electrical Substations Physical Security Upgrade Project Ordinance to Establish Engineer-Procure-Construct Criteria

SUMMARY

The Power System requests the approval of the attached Resolution recommending City Council's approval of an Ordinance establishing the criteria for the design and construction of the Electrical Substations Physical Security Upgrade Project (Project).

The proposed Ordinance will authorize LADWP to pursue an engineer-procure-construct (EPC) contract through a competitive-sealed proposal method, permitting negotiations relating to the engineering, procurement, and construction of the Project based on the criteria established by the Ordinance. The Ordinance will authorize a term not to exceed five years.

Pursuant to a competitive-sealed proposal method, EPC criteria adopted by the Ordinance will permit an award to a bidder specialized in the design, procurement, and construction of a concrete masonry unit (CMU) block wall and associated physical security measures. The competitive-sealed proposal method, per City Charter Section 371(b), permits negotiations after the proposal has been opened to allow clarifications and changes to the proposal. Pursuant to Los Angeles Administrative Code Section 10.25, the Local Business Preference Program will apply. Los Angeles Administrative Code Section 10.25 is a preference program fashioned to encourage businesses to compete for City of Los Angeles (City) contracting opportunities to locate operations in the City and encourage existing local businesses to refrain from relocating to different, less expensive areas. The term of the contract is necessary because of the complexity of the project, and the lengthy duration to fabricate major components.

The approach will be to advertise one Request for Proposal (RFP) with one agreement, which may be awarded in whole or in part at LADWP's discretion. The contract will be for engineering services, including but not limited to, the completion of the design to 100 percent, becoming the Engineer of Record, material procurement, and construction services for the Project. The construction services include the construction of CMU block walls, installation of anti-climb features on the walls, installation of crash-rated gates at the entrance(s) to the substations, conduit installation, and construction of spare parts buildings.

City Council approval is required, by Ordinance, per City Charter Section 371(b).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of an ordinance authorizing the use of the competitive-sealed bid proposal method to let a contract not to exceed five years in length in accordance with City Charter Section 371(b).

ALTERNATIVES CONSIDERED

There is no alternative to the Project as it is to meet physical security requirements. If the facilities remain as they currently are, this may threaten the reliability and operability of the facilities due to increased vulnerability to physical attacks.

LADWP has insufficient personnel to complete the Project by the deadlines of December 31, 2025, for two electrical substations and December 31, 2028, for the third substation. Additional staff cannot be employed and trained in a timely manner to meet the needs of LADWP.

The proposed EPC contract through an RFP allows LADWP the opportunity to review, evaluate, and negotiate the submitted proposals taking into consideration a company's financial and resource capabilities as well as relevant experiences. The RFP process will allow LADWP to choose from a pool of qualified and experienced companies specialized in the design and construction of physical security walls.

FINANCIAL INFORMATION

The total estimated cost for the proposed contract is approximately \$51.2 million (budgeted). The contract duration will not exceed five years.

BACKGROUND

This Project is necessary to facilitate compliance with federal and LADWP physical security requirements to harden and increase physical security at the electrical substations to protect from physical attacks.

As a Transmission Owner, LADWP is required to identify critical facilities and conduct an evaluation of potential threats and vulnerabilities of a physical attack to each facility. Mitigation plans were created by LADWP to enhance the physical security at critical facilities, maintain grid reliability, and eliminate potential threats to daily operations. As part of this process of physical security risk identification and evaluation, some electrical substations were identified by LADWP requiring mitigations to physical security risks. The Project's completion deadline, which was set by an external entity, is December 31, 2025, for two electrical substations and December 31, 2028, for one electrical substation. If this completion date is not met, fines may be imposed.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on November 18, 2024.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. The approval of this Ordinance will authorize the use of the competitive-sealed bid proposal method to let a contract and will not result in any physical change in the environment; therefore, the proposed action is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and the Ordinance as to form and legality.

ATTACHMENTS

- Resolution
- Ordinance
- CAO's Report